

**TO:** Peter Henriques**DATE:** October 30, 1992**FROM:** Pascal Fernandez/Alejandro Lopez**SUBJECT:** B&H Special Kings In-Store Interviews--Final Report**Background**

In order to explore reactions, and to get an early feedback on trial and awareness of the new B&H Special Kings, an In-Store research was conducted within the fourth week after the new product introduction.

- Interviews took place in four different locations: Boston Metro, the Bronx, Brooklyn, and Queens. They were conducted from Wednesday, August 24 to Saturday, August 28.
- A total of 48 pack outlets currently selling B&H Kings were audited during the four day period.
- A total of 1071 interviews were conducted among cigarette smokers 18 years of age or older who had just purchased cigarettes. In order to take in account ethnic diversity, respondents had the option of answering the questions in English or Spanish according to their preference.

Attached is a summary in presentation form of the findings from this research.

**Conclusion**

Overall, within the fourth week after B&H Special Kings introduction and before the beginning of the advertising campaign, the new product obtained 0.9% market share under a 100% distribution assumption. Furthermore, 10% of smokers declared knowing about the new brand and 3% have already tried it. At this stage, the three New York boroughs showed higher receptivity than the Boston area.

Difference of opinion between triers and non triers indicates the necessity to facilitate the new brand setting in the consumer's hands. As already shown by Ad/Pack research, trial of the new B&H Special Kings enhances the level of acceptance of the new brand.

**Summary Of Findings**

- Overall, B&H Kings obtained a 0.9% share among stores currently selling the product. Taking into account the small sample size, we can assert that:
  - B&H Kings share was higher in New York than in Boston. Consequently, B&H Kings share in New York can be estimated around 1.1% under 100% distribution.

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- Directionally, the non-menthol packs were more successful at driving trial and purchases than the menthol versions. They accounted for 60% of B&H Kings share.  
(Table 1)
- On an aided basis, 10% of the smokers interviewed were aware of the new B&H Special Kings and 3% had already tried the new product. Among triers, half had purchased at least one pack while the other half had tried it through friends or relatives. We also found higher level of awareness and trial in the Bronx, Queens and among Hispanics. Not surprisingly, the major sources of product information were store displays (59%) and word of mouth (45%).  
(Tables 2, 3, 5)
- Even if the base is very small, we can assert that B&H Kings is attracting Newport smokers.  
(Table 4)
- Non-triers liked the pack (31%), but they had mixed feelings concerning the expected taste, and mentioned the high price of the product. One third of these smokers declared that attraction for newness will probably or definitely make them try B&H Kings in the future.  
(Table 6)
- Most of the smokers who tried the new B&H Kings have a very positive overall opinion about the product. Three quarters of them liked the taste, and a minority expressed criticism about either the taste itself or the high price. More than half of the triers interviewed declared they will buy again B&H Kings either as a replacement of their regular brand or to a lesser degree as an alternate purchase.  
(Tables 7, 8)
- Very few B&H Kings purchasers were actually interviewed (only five smokers).
- In the markets studied and particularly in New York, B&H Kings had to face a hostile environment. Its direct competitors, Winston Select, Camel, Kool, and Salem had aggressive price promotion activities up to 50 cents off per pack. At the store level, due to the lack of space, the product and the POS material were in a number of cases covered by competitive clutter.  
(Table 9)

cc: D. Beran  
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Attachment  
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## B&H Special Kings Share

	<u>Day 1</u>	<u>Day 2</u>	<u>Day 3</u>	<u>Day 4</u>	<u>Total Study</u>
	Wednesday	Thursday	Friday	Saturday	
<i>Store Audited</i>	(12)	(12)	(12)	(12)	(48)
<i>Packs</i>	(614)	(598)	(419)	(435)	(2066)
	%	%	%	%	%
<b>B&amp;H Kings Share</b>	<b>0.65</b>	<b>0.67</b>	<b>1.19</b>	<b>1.15</b>	<b>0.87</b>
B&H Kings non-menthol FF	0.16	-	0.48	0.46	0.24
B&H Kings Non-Menthol LT	0.49	0.33	0.24	-	0.29
B&H Kings Menthol FF	-	0.17	0.48	0.46	0.24
B&H Kings Menthol LT	-	0.17	-	-	0.10

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# Awareness and Trial

	<u>Total Interviews</u> #	<u>Unaware</u> %	<u>Aware</u> %	<u>Aware &amp; Triers</u> %	<u>Aware &amp; Non-Triers</u> %
<b><u>TOTAL</u></b>	1071	<b><u>89.8</u></b>	<b><u>10.2</u></b>	<b><u>3.1</u></b>	<b><u>7.2</u></b>
<b><u>BOSTON</u></b>	298	<b><u>96.5</u></b>	<b><u>3.5</u></b>	<b><u>1.4</u></b>	<b><u>2.1</u></b>
<b><u>NEW YORK</u></b>	789	<b><u>87.5</u></b>	<b><u>12.5</u></b>	<b><u>3.7</u></b>	<b><u>9.0</u></b>
Bronx	298	85.9	14.1	4.4	9.7
Brooklyn	204	92.6	7.4	1.0	6.4
Queens	287	85.4	14.6	4.9	10.1

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# Awareness and Trial by Demographic

	<u>UNAWARE</u>	<u>AWARE</u> <u>NON-TRIER</u>	<u>TRIER</u>
<u>Demographic Profile</u>	(962) %	(76) %	(33) %
Male	73	63	67
Female	27	37	33
18-24	19	12	18
25-34	32	41	33
30+	49	47	49
White	60	45	43
African-American	20	17	18
Hispanic	16	34	27
Other	4	4	12
High School or less	56	66	52
Some College or more	44	34	48

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# Awareness and Trial by Regular Brand

	<u>Unaware</u>	<u>Aware</u>	<u>Aware &amp; Non-Triers</u>	<u>Aware &amp; Triers</u>
Base	962	110	77	33
<u>Brand Profile</u>	%	%	%	%
MARLBORO	31	23	25	18
NEWPORT	26	28	28	27
KOOL	4	4	5	--
PARLIAMENT	3	4	4	3
MERIT	4	3	4	--
SALEM	3	4	4	3
B&H 100's.	3	6	5	6
CAMEL FILTER	3	2	1	3

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# Sources of Awareness and Trial

	<u>TOTAL UNAWARE</u> (962) %	<u>AWARE NON-TRIER</u> (76) %	<u>AWARE TRIER</u> (33) %
MULTIPLE RESPONSES:			
Store display	59	59	58
Outdoor advertising	16	18	12
Friends/relatives	26	17	45
Newspaper/magazine	8	12	--

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# Aware -- Non-Triers Likes/Dislikes

<u>LIKES</u>	
Base	76
	<u>%</u>
Pack (net)	31
Taste (net)	23
Quality (net)	4
Price (net)	3
Others (net)	3
Don't know	37

<u>DISLIKES</u>	
Base	76
	<u>%</u>
Taste (net)	16
Price (net)	14
Size (net)	4
Don't like B&H 100's.	1
All others	3
Don't know	62

<u>LIKELIHOOD OF SWITCHING</u>	
<u>Total Sample</u>	(76)
	<u>%</u>
Definitely would try	9
Probably would try	24
Might or might not try	25
Probably would not try	29
Definitely would not try	13

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# Aware --Triers Likes/Dislikes

## LIKES

<u>Base</u>	33
	<u>%</u>
Taste (net)	73
Good looking box	4
Price	3
Sophisticated	3
Good cigarette	3
Clean smoke	3
Don't know	12

## DISLIKES

<u>Base</u>	33
	<u>%</u>
Taste (subnet)	12
Expensive	6
Smoke up faster than B&H 100's.	3
Not my brand	3
Looks too fancy	3
Nothing disliked	61

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# Aware --Triers Likes/Dislikes (Cont)

## WILL SMOKE B&H SPECIAL KING IN FUTURE

<u>Total Sample</u>	(33)
	<u>%</u>
<u>Yes (net)</u>	<u>64</u>
As replacement of regular brand	9
Frequently but in addition to regular brand	18
Occasionally for a change	37
<u>No (net)</u>	<u>33</u>
<u>Not sure</u>	<u>3</u>

## LIKELIHOOD OF SWITCHING

<u>Total Sample</u>	(21)
	<u>%</u>
Definitely would switch	9
Probably would switch	19
Might or might not switch	43
Probably would not switch	24
Definitely would not switch	5

# Field Observations

- Many stores did not have enough packs of B&H Special Kings. According to store owners, the stores had received a carton of each type. Seven stores out of the 48 initially contacted to be included in this research had run out of stock before field work started and had to be replaced.
- Eighteen of the stores included did not have a poster announcing the special price or the poster was not in a visible area. Five of these stores, however, had smaller signs that were only visible when approaching the cashiers area.
- B&H Kings were not displayed prominently at 14 stores. It was placed among price value brands, under the counter or sometimes even far from other cigarettes.
- Six stores did not have a B&H Kings display. When this was the case, B&H Kings were placed in Marlboro, Merit, Virginia Slims racks, or among price value brands.
- Many store clerks did not know the brand. When asked for it, they said that the store did not carry it or reached for B&H 100's.
- B&H Kings had to face aggressive promotion activity from the competition: Winston Select (.50 cents off, free can cooler with 2 packs, free sunglasses with 3 packs), Kool Milds (.50 cents off), Salem (.50 cents off), Camel Wide (\$1 off with two packs), Camel (T-shirt free for 4 packs), and various special price offers for the PV brands.

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